



California Fair Political Practices Commission

May 5, 1986

James C. Gross
Nielsen, Hodgson Parrinello
& Mueller
1030 Fifteenth Street, Suite 250
Sacramento, CA 95814

Re: Your Request for Advice
Our File No. A-86-109

Dear Mr. Gross:

Thank you for your request for advice concerning the lobbying provisions of the Political Reform Act ("Act").^{1/} In your letter you provided the following facts:

FACTS

Corporate Events, your client, is a consulting firm that organizes events for corporations and makes all arrangements on behalf of the client corporations for those activities. Neither Corporate Events, nor its parent corporation, Ronlin Marketing Corporation, nor its affiliated business entities, employ lobbyists or contract with lobbying firms.

Corporate Events is interested in contracting with Pfizer Pharmaceuticals, a lobbyist employer. Corporate Events would arrange events for Pfizer at which gifts of food, drink, and entertainment totaling more than \$10 would be made to State of California public officials. Linda Costigan, the principal employee of Corporate Events, would report to a Pfizer executive who would assign her projects, negotiate her fees, and to whom she would make specific recommendations about proposed events. Pfizer's lobbyist is Richard Costigan, Linda Costigan's husband. The Pfizer executive to whom Ms. Costigan would report is someone other than her husband. Mr. Costigan will not attend meetings with Ms. Costigan regarding

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated.

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arrangements for events on Pfizer's behalf or participate in the arrangements she makes. However, it is likely that Mr. Costigan will make recommendations to the Pfizer executive to whom Ms. Costigan reports concerning suggestions for events to be attended by California public officials and the specific officials to be invited.

QUESTION

Would Mr. Costigan's activities constitute "arranging a gift" for purposes of Section 86203?

CONCLUSION

Under the facts you have provided, Mr. Costigan's activities would not constitute "arranging a gift" for purposes of Section 86203.

ANALYSIS

Section 86203 prohibits any lobbyist or lobbying firm from making or arranging gifts totaling more than \$10 in a calendar month to any state candidate, elected state officer, legislative official, or agency official. Commission regulation 2 Cal. Adm. Code Section 18624 specifies the actions which are considered "arranging a gift." Regulation 2 Cal. Adm. Code Section 18624 provides:

A lobbyist "arranges for the making of a gift" within the meaning of Government Code Section 86203 if the lobbyist, either directly or through an agent, does any of the following:

- (a) Delivers a gift to the recipient.
- (b) Acts as the representative of the donor, if the donor is not present at the occasion of a gift. This does not include accompanying the recipient to an event where the donor will be present.
- (c) Invites or sends an invitation to an intended recipient regarding the occasion of a gift.
- (d) Solicits responses from an intended recipient concerning his or her attendance or nonattendance at the occasion of a gift.

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(e) Is designated as the representative of the donor to receive responses from an intended recipient concerning his or her attendance or nonattendance at the occasion of a gift.

(f) Acts as an intermediary in connection with the reimbursement of a recipient's expenses.

Under the facts you have provided, Mr. Costigan would not, either directly or through an agent, arrange a gift to any elected state, legislative, or agency official. Instead, Mr. Costigan would be making recommendations to a Pfizer executive concerning the gift, and the Pfizer executive would be "arranging" the gift through Corporate Events. As you noted in your letter, communications between a lobbyist and his employer are protected by the First Amendment. Institute of Governmental Advocates v. Younger (1977) 70 Cal. App. 3d 878, 884. Therefore, Section 86203 does not prohibit Mr. Costigan from making recommendations to the Pfizer executive concerning potential events and invitees.

We caution, however, that Mr. Costigan must refrain from directing the activities of Ms. Costigan or any other employee of Corporate Events when those activities concern gifts of \$10 or more to elected state, legislative, or agency officials. Mr. Costigan must, therefore, exercise caution in his communications with Ms. Costigan and employees of Pfizer so that he does not authorize or direct any of them to perform, as his agent, any actions which he is prohibited from performing. Furthermore, Mr. Costigan may not act as the sole representative of Pfizer at any event sponsored by Pfizer or solicit responses from elected state, legislative, or agency officials regarding their attendance at any event sponsored by Pfizer, if those elected state, legislative, or agency officials will receive gifts of more than \$10 at the event.

Please contact me at (916) 322-5901 if you have any further questions regarding this matter.

Very truly yours,

Kathryn E. Donovan
Kathryn E. Donovan
Counsel
Legal Division

KED:plh

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APR 7 10 35 AM '86

FILE NUMBER

April 4, 1986

6007.01

Robert Leidigh, Esq.
Fair Political Practices Commission
P.O. Box 807
Sacramento, California 95804

Dear Bob:

Pursuant to Government Code § 83114(b), we seek advice clarifying certain obligations under the Political Reform Act of 1974, as amended.

We are attorneys for Corporate Events, a division of Ronlin Marketing Corporation, a California corporation. This is a consulting firm that organizes events for corporate clients and makes all arrangements on behalf of the corporate client for such activities. Another division of Ronlin Marketing Corporation is Health Business Information Systems which represents Information Design of Arlington, Virginia. All of these entities are headed by individuals who are not required to register as lobbyists. Corporate Events has clients such as the Arthritis Foundation, San Diego Chapter, for which it will organize the annual charity tennis tournament which will be attended by numerous celebrities and charitable contributors who will play tennis with the celebrities and will attend a post-tournament dinner. California public officials may or may not be invited to this tournament as guests of the Arthritis Foundation. Another potential client, for which negotiations are presently underway, is The Pacific Conference. The Conference conducts an annual meeting at which corporate sponsors and state legislators from the five Pacific Rim states attend a 4-day workshop where all legislators pay for their own travel but the accommodations and meals are arranged for and paid by The Pacific Conference. The participating California state officials are seminar leaders or active participants and receive accommodations and meals which, pursuant to 2 Cal. Admin Code § 18728(a), are not reportable payments, and thus not gifts. However, Corporate Events is interested in obtaining clients where entertainment will include State of California public officials and where gifts are expected to be made as "activity expenses", as defined by 2 Cal. Admin. Code § 18616(a)(1) because the corporate client is an employer of a lobbyist or a company required to file quarterly reports pursuant to Government Code § 86108(b). A number of potential clients of Corporate Events are pharmaceutical companies, including Pfizer Pharmaceuticals, Hoffman LaRoche and Eli Lilly.

Robert Leidigh, Esq.
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The purpose of this letter is to inquire whether the Fair Political Practices Commission believes that Corporate Events has any limitation in doing such consulting work for Pfizer Pharmaceuticals.

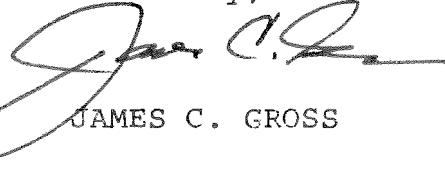
Linda Costigan is the principal employee of Corporate Events. She is the wife of Richard Costigan, the registered lobbyist for Pfizer Pharmaceuticals. No personnel of Corporate Events or Ronlin Marketing Corporation are required to register under the Political Reform Act. Linda Costigan states that if Pfizer Pharmaceuticals retains her corporation, that she will report to a Pfizer executive, other than her husband, who will assign her projects, negotiate her fees and to whom she will make specific recommendations about the specifics of proposed events. As is permissible under the Political Reform Act and pursuant to guidelines set forth in FPPC Opinion 81-003 (Tebbetts), her husband will in all likelihood recommend to the Pfizer executive to whom she reports suggestions for events to be attended by California State officials and will recommend specific California State officials to be invited. However, he will not attend any meetings relative to arrangements for events (other than with Pfizer personnel) or in any way participate in any arrangements that Mrs. Costigan makes on Pfizer's behalf. Mr. Costigan will avoid any activities which would go beyond the limitations applied to lobbyists with regard to "arranging" gifts to public officials of more than \$10.00.

Our client has informed us that Pfizer Pharmaceuticals is not willing to retain her services without assurances from the FPPC that Pfizer will in no way be in violation of the Political Reform Act by retaining Corporate Events for such consulting services.

Some public information about Corporate Events has been produced by the corporation and is included with this request for advice.

Your assistance and cooperation is sincerely appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "James C. Gross", is written over the typed name. The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

JAMES C. GROSS

JCG:ss
cc: Mrs. Linda Costigan

CORPORATE EVENTS

a division of RONLIN Marketing Corporation

CORPORATE EVENTS - WHAT WE DO

CORPORATE EVENTS will arrange for any event of interest to a business needing to entertain California State officials. CORPORATE EVENTS will expedite the attendance of those invited when possible.

CORPORATE EVENTS will host the event and will make the necessary arrangements to pay for all cost for each event.

CORPORATE EVENTS will also provide our client - business and California officials with the appropriate report for his or her filing under California Conflict of Interest laws.

CORPORATE EVENTS - WHAT WE WILL NOT DO

CORPORATE EVENTS will not engage in any lobby effort whatsoever. CORPORATE EVENTS will deal only with corporate clients, not their lobbyists.

CORPORATE EVENTS IS DEDICATED TO ASSISTING BUSINESSES IN SUPPORTING THEIR GOVERNMENTAL RELATIONS EFFORTS WITHIN THE FULL COMPLIANCE OF CALIFORNIA'S STRINGENT CONFLICT OF INTEREST LAWS.

CORPORATE EVENTS

a division of RONLIN Marketing Corporation

CORPORATE EVENTS

CORPORATE EVENTS - WHO ARE WE

CORPORATE EVENTS, a division of the RONLIN Marketing Corporation, provides services to companies needing events arranged and produced in California.

CORPORATE EVENTS specializes in assisting businesses to entertain California State officials to create exposure for their company, products or services necessary for support of their California State Government Relations' effort.

CORPORATE EVENTS was founded by a skilled events organizer and a California attorney experienced in California's Conflict of Interest laws.

CALIFORNIA LAW - IT IS VERY CLEAR

Government Code Section 86203¹ prohibits a lobbyist or a lobbying firm from making, arranging, or acting as an agent or intermediary in the making of gifts aggregating more than \$10 per month to, or for the benefit of a State candidate, elected State officer, legislative official, or agency official.

A gift includes a payment made or arranged by a lobbyist or lobbyist's firm for food, beverages, travel, or anything else of value. Government Code Section 84204 makes it unlawful for any person to accept a gift which is made unlawful by Government Code Section 86203.

A registered lobbyist or lobbyist firm cannot legally receive acceptances for a reception or lunch even if it is arranged by the business whose interest the lobbyist represents.

¹ See Lobbyist Certification Statement 86203 and 86205.